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TAGS: [PREL](#) [EAID](#) [PREF](#) [IS](#) [KU](#) [ECON](#)
SUBJECT: KUWAIT REVIEWING OUTSTANDING PLEDGE FOR THE
PALESTINIANS

REF: A. KUWAIT 931

[1](#)B. STATE 78944 AND PREVIOUS

Classified By: Ambassador Richard LeBaron for reasons 1.4(b) and (d).

[1](#)1. (C/NF) During a June 26 meeting with Ambassador, Kuwaiti Foreign Minister Shaykh Dr. Mohammed Al-Sabah said that Kuwait had not yet disbursed aid pledged to the Palestinians.

Shaykh Mohammed asked whether the Israeli government had freed tax revenues owed to the Palestinians. Ambassador said he understood that the Israeli cabinet had agreed to free some revenues but he did not know how much. The FM inquired whether new Palestinian Prime Minister Dr. Salam Fayyad was still acting as Finance Minister, and whether payment should go through an account previously identified. The Minister said that the GOK needed to make sure that any aid did not go to the wrong people and mentioned sensitivity to dealing with any Palestinian official who had supported Saddam Hussein's invasion of Kuwait. (Note: Embassy Kuwait will pass on information received subsequently from State and ConGen Jerusalem regarding transfer mechanisms. End note)

[1](#)2. (C/NF) During a series of June 26 telcons with the MFA's Department of Arab World, First Secretary Ahmad Al-Baker informed Econoff that the actual pledge outstanding is USD 50 million. The Cabinet approved an USD 80 million pledge on October 21, 2006, he explained, of which USD 30 million was transferred to the Palestinians on 16 November 2006. In response to the recent events on the ground, including the formation of the new government, Al-Baker said the Minister's office contacted the Department of Arab World earlier this week to ask about the outstanding pledge.

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LeBaron